

Optum Financial[®]

HSAs for Life

Optum Financial Webinar



Nine Important Steps with an HSA

1

Understanding the contribution limits.

4

Learn about qualified medical expenses.

7

Manage your account.

2

Funding to your max.

5

Pay with your HSA.

8

Explore your resources.

3

Understand the tax savings.

6

Designate a beneficiary.

9

Grow your savings.

Quick Overview of an HSA

Health Savings Accounts (HSA) can help you save and pay for qualified medical expenses.

Deposit money.



Save on taxes.



Pay for qualified medical, dental, and vision expenses.



Invest your savings.



HSAs are triple tax advantaged

HSAs come with great tax benefits



Income tax-free
contributions



Income tax-free
earnings



Income tax-free
withdrawals

Tax savings: A real life example

Example 
a \$100 pair of eyeglasses



Out of pocket cost:
\$100



HSA cost: \$70



\$30 savings
By using your HSA

Know the Limit to go the Limit

| | 2023 | 2024 |
|-------------|---------|---------|
| Individuals | \$3,850 | \$4,150 |
| Families | \$7,750 | \$8,300 |

Plus catch-up contributions

Age 55+

Eligible to contribute an extra **\$1,000** per year

Pro-rated contributions

A job change or other life event may lead you to end your coverage in an HSA-qualifying health plan at some time during a normal 12-month benefits period. In that case, you would need to calculate a pro-rated contribution amount based on your actual months of high-deductible plan coverage.

Funding your max

1

Sign up for payroll contribution.

2

Make a one-time deposit.

3

Make recurring deposits.

Learn about qualified medical expenses

The IRS determines the list of qualified medical expenses.

A few examples:

- PPE
- Chiropractor or Acupuncture Visits
- Doctor's visits for colds or routine illness
- Prescription co-pays
- Hearing aids
- Medical and blood tests
- Glasses and contacts
- Urgent care visits
- Physical therapy
- Smoking cessation programs



Learn about qualified medical expenses

Visit our website for the qualified medical expense tool.



Filter by:

^ ACCOUNT TYPE

- ☒ Health savings account (HSA) or Medicare Advantage Medical Savings Account (MSA)
- ☐ Health care flexible spending account (HCFSA)
- ☐ Limited purpose flexible spending account (LPFSA)
- ☐ Health reimbursement arrangement (HRA)
- ☐ Dependent care flexible spending account (DCFSA)

You filtered by: **Health savings account (HSA) or Medicare Advantage Medical Savings Account (MSA), Show All**

- ☒ Alcoholism
- ☒ Artificial limb
- ☒ Bandages
- ☒ Body scan
- ☒ Breast pumps and supplies
- ☒ Buying or renting crutches
- ☐ Car
- ☒ Chiropractor
- ☒ Contact lenses
- ☒ Ambulance
- ☒ Artificial teeth
- ☒ Birth control pills
- ☐ Braille books and magazines
- ☐ Breast reconstruction surgery
- ☐ Capital expenses
- ☐ Childcare
- ☒ Christian Science Practitioner
- ☐ Controlled substances

Pay with your HSA

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Optum
Payment Card



You can order an additional payment card for eligible family members to access funds. Each card has a unique number and name of the individual.

Pay bills online



Access the “Make a Payment” feature online by signing in to your account online.

Pay out-of-pocket
and reimburse
yourself



Click “Reimburse Myself” after signing in to your account online.

Designate a Beneficiary



If you do not specify a beneficiary and you are married, your HSA becomes your spouse's HSA. If you are not married at the time of your death, the funds will go to your estate and the funds may be subject to taxation.

Sign in to your account and designate a beneficiary for your HSA. Your beneficiary of your account will receive the money if you pass away and will have the choice of keeping the HSA for medical expenses or getting the funds which will be taxed as income.

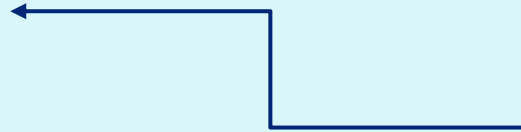
Manage your account online



- Make deposits
- Pay bills
- Reimburse yourself
- Manage your investment activity

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Manage your account online or through the Mobile App



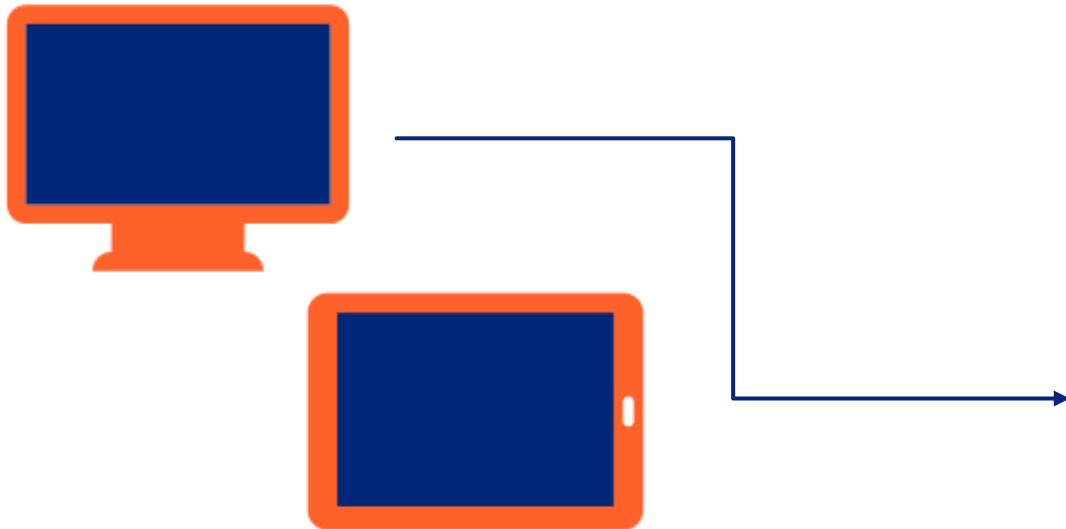
All you can do, plus more...

- Sign in using Secure ID or your password
- Pay bills, track payments, and reimburse yourself
- Search for qualified medical expenses
- Capture and submit receipts
- Easily deposit funds
- Calculate your contributions
- Update your beneficiary

Coming soon

- Eligible expense scanner
- Alerts & notifications
- Post authentication chat

Access to tools and resources on our website



Check out the Resources on our website!

- HSA contribution calculator
- Health savings checkup tool
- Qualified medical expense tool
- Videos
- Optum Store
- Links to HSA webinars

Health Savings Checkup Tool

Estimate your
potential health care
costs in retirement.



Personalized estimate
of your health care
costs in retirement



Identify ways to
save for the future



Comparison of financial accounts

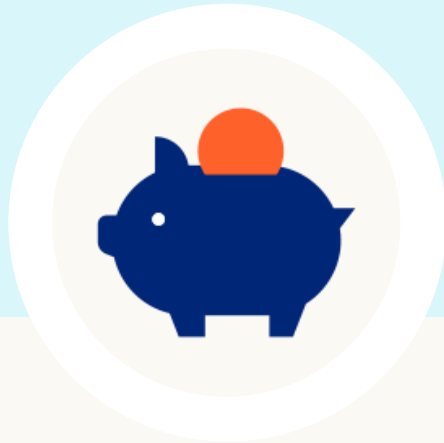
HSAs come with great tax benefits

| Type of Account | Tax Advantaged Contributions | Income Tax-Free Growth | Income Tax-Free Distributions |
|---------------------------------|------------------------------|------------------------|-------------------------------|
| HSA | × | × | × |
| Roth IRA | | × | × |
| 401(k), 403(b), traditional IRA | × | × | |

Investing in your HSA

Savings can really add up

Savings potential



Let's say you contribute \$3,000 a year to your HSA until retirement. Assuming you use \$1,500 a year for medical expenses, earn 7% a year in interest and investments, and reinvest all earnings, your savings can really add up. But, the earlier you start, the more potential you have. See how starting in your early years can really pay off.

| Starting age | HSA value at age 65 ¹ |
|--------------|----------------------------------|
| 25 | \$320,420 |
| 35 | \$151,613 |
| 45 | \$65,799 |
| 55 | \$22,176 |

Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents.

¹Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.

Offering investment choice

Two ways to invest



1

Self-directed mutual funds

Choose from a wide variety of over 30 mutual funds that average a 4-star Morningstar rating and represent some of the lowest expense ratios in the industry, including life stage funds.

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2

Betterment digitally managed investments

Betterment helps take the guesswork out of investing your HSA. Based on your HSA investment goals, Betterment will recommend a personalized portfolio of low-cost exchange traded funds (ETFs) and help keep your HSA investment on track through auto-deposits and automated rebalancing.

Getting started:

Once your cash account balance exceeds the minimum amount \$1,000, you can start investing. Sign in to see your options and to get started.

Need to pay for qualified medical expenses?

No problem. If you're investing in mutual funds, you can easily transfer your investment funds back into your HSA. If you're investing with Betterment, they will make it easy by automatically selling the right funds for you.

HSAs & Retirement

Did you know you can use your HSA as part of your retirement strategy?

Once enrolled in Medicare you no longer can contribute, but you can maximize your after-retirement income

- During your working years, build your HSA to help cover your future medical expenses
- Use funds in your HSA to pay for qualified medical expenses in retirement
- Use your HSA funds to pay for Medicare premiums and qualified medical expenses such as deductibles, copays, and coinsurance for Medicare plans:
 - Part A (hospital and inpatient care)
 - Part B (doctor and outpatient care)
 - Part D (prescription drugs)



Tax time & your HSA

Optumbank.com search for HSA Tax Center

Important forms

For tax purposes, there are three important forms. You can sign in to your account and find your tax forms in the “Statements” section of our website.



IRS Form 1099-SA

This form provides you with the total distributions that were made from your HSA. You will receive a separate 1099-SA for each type of distribution you had in that tax year. The five types of distributions are: normal, excess contribution removal, death, disability and prohibited transaction. If you did not have distributions during the tax year, you will not receive a 1099.



IRS Form 5498-SA

This form provides you with the contributions that you made to your HSA in a particular tax year. Account holders have the right to make contributions to their HSA for a tax year. Typically until April 15, however years may vary.



IRS Form 8889

This is the HSA contribution form for you to complete and attach to your IRS 1040 Form to report year-to-date contributions and distributions from your HSA.

Questions ?

Frequently asked questions & answers ?

1

Q

If you are contributing to your HSA from your checking or savings account, do you lose the pre-tax advantage?



A

No, it's just handled when you file your taxes instead of the time of the contribution. You receive the income tax benefits regardless of how you contribute.

2

Q

Am I able to use my Optum payment card at any retailer, not just pharmacies, for OTC products?



A

Yes, you can use your Optum payment card for qualified medical expenses, anywhere it is accepted.

3

Q

Am I able to order a second card for my spouse?



A

Yes, you can order additional cards for your family members / tax dependents. You can do that in your online account.

4

Q

If someone on your health insurance is 55+ are you able contribute the additional \$1000?



A

Yes, if you are age 55 or older, you can contribute an additional catch-up contribution of \$1,000 per year. If your spouse is also 55 or older, he or she may establish a separate HSA and make a "catch-up" contribution to that account.

Frequently asked questions & answers ?

5

Q

Is there a maximum contribution amount that can be made to my HSA at one time?



A

There is no limit on one-time contributions. However, you will want to ensure you do not exceed the annual limit, as set by the IRS.

6

Q

What is an HSA investment account?



A

Money you contribute to your health savings account (HSA) is placed in a deposit account, also called a cash account. When you reach a certain balance in your cash account, you may put your money over that minimum balance into an investment account. This gives you the opportunity to potentially grow your HSA savings longer term — whether you are planning for a medical procedure in several years or saving for health costs in retirement. Investment returns are not guaranteed and involve more risk than cash deposits.

7

Q

Do I pay taxes on my investment earnings?



A

No, generally all investment growth is income tax-free.

8

Q

What if I need the money to pay for qualified medical expenses?



A

If you don't have enough money set aside in your cash account to pay for a qualified medical expense, you may sell some or all of your investments at any time. You should generally allow several business days for the money to become available in your cash account after the trade settles. If you need your money sooner, you may always pay for your qualified medical expenses out-of-pocket now and reimburse yourself later once your funds are posted to your cash account.

**Thank you for
attending!**

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